Message Text

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CONFIDENTIAL TOKYO 5601

E.O. 11652: GDS

TAGS: ENRG, ETRD, EFIN, JA, UR

SUBJ: JAPAN-SOVIET MEMORANDUM ON TAKUTSK GAS EXPLORATION PROJECT

REF: A. TOKYO 5374 B. TOKYO 5296

SUMMARY: AS REPORTED REF B, JAPAN AND USSR CONCLUDED CREDIT NEGOTIATIONS ON SIBERIAN DEVELOPMENT PROJECTS INCLUDING YAKUTSK GAS EXPLORATION PROJECT ON APRIL 22. PRIVATE-LEVEL DELEGATIONS OF BOTH COUNTRIES, WHICH HAD BEEN ENGAGED IN PARALLEL NEGOTIATIONS, INITIALLED MEMORANDUM APRIL 26 SUMMARIZING THEIR DISCUSSIONS. VAGUELY WORDED MEMORANDUM REAFFIRMS THAT YAKUTSK PROJECT WILL BE CARRIED OUT ON A TRILATERAL (US, USSR, JAPAN) BASIS. ADDS THAT BOTH SIDES WILL MAINTAIN CONTACTS WITH U.S. IN EFFORT TO ENCOURAGE QTE U.S. BANKS UNQTE TO DECIDE ON LOANS FOR PROJECT. FOLLOWING IS EMBASSY'S INFORMAL TRANSLATION OF TEXT OF CONFIDENTIAL MEMORANDUM. END SUMMARY.

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1. BEGIN TEXT: MEMORANDUM OF DISCUSSIONS BETWEEN JAPANESE AND SOVIET DELEGATIONS CONCERNING PROBLEMS RELATED TO A COOPERATIVE EFFORT TO CARRY OUT A GEOLOGICAL EXPLORATION OF NATURAL GAS FIELDS AT YAKUTIA.

JAPANESE AND SOVIET DELEGATIONS MET IN TOKYO APRIL 6-26 TO DISCUSS PROBLEMS RELATED TO COOPERATIVE EFFORTS TO BE MADE TO CARRY OUT A GEOLOGICAL EXPLORATION OF NATURAL GAS FIELDS IN YAKUTIA. THE JAPANESE DELEGATION WAS HEADED BY HIROSHI ANZAI, CHAIRMAN OF THE NATURAL GAS COUNCIL, OF THE JAPANESE COMMITTEE OF THE JAPAN-SOVIET ECONOMIC COMMITTEE, AND BOARD CHAIRMAN OF TOKYO GAS. THE SOVIET DELEGATION WAS HEADED BY V.N. SUSHIKOV, A DIRECTOR OF THE SOVIET FOREIGN TRADE MINISTRY

AS STIPULATED IN MEMORANDA DATED OCTOBER 27, 1972, AND JULY 17, 1973, BOTH DELEGATIONS REAFFIRMED THA THE MOST IMPORTANT MATTER FOR THE REALIZATION OF THE YAKUTSK GAS PROJECT IS THE IMPLEMENTATION OF A GEOLOGICAL EXPLORATION OF THE NATURAL GAS FIELDS AT YAKUTIA.

BOTH DELEGATIONS HAVE ALSO REAFFIRMED THAT THE YAKUTSK GAS PROEJCT WILL BE CARRIED OUT THROUGH THE COOPERATIVE EFFORTS BY THREE COUNTRIES: JAPAN, THE SOVIET UNION, AND THE UNITED STATES.

DURING THE NEOGITATIONS, BOTH DELEGATIONS REACHED UNDER-STANDINGS REGARDING COOPERATIVE EFFORTS TO CARRY OUT A GEOLOGICAL EXPLORATION OF THE NATURAL GAS FIELDS IN THE YAKUTSK AREA, AND REGARDING THE SUPPLY TO THE USSR OF JAPANESE AND AMERICAN MACHINERY AND EQUIPMENT AND OTHER NECESSARY MATERIALS WHICH WILL BE FIMANCED ON THE BASIS OF LONG-TERM BANK CREDITS.

THE JAPANESE DELEGATION GAVE THE SOVIET DELEGATION A
LIST OF MACHINERY, EQUIPMENT, AND OTHER MATERIALS WHICH
JAPAN WILL PROVIDE FOR THE GEOLOGICAL EXPLORATION.
BOTH SIDES HAVE NOTED THAT A PROTOCOL CONCERNING LOANS
TO BE EXTENDED FOR THE EXPLORATION OF THE YAKUTSK GAS FIELDS
WAS SIGNED BY A JAPANESE DELEGATION HEADED BY SATOSHI
SUMITA, PRESIDENT OF THE JAPAN EXPORT-IMPORT BANK, AN
AGENCY OF THE GOVERNMENT OF JAPAN, AND A SOVIET DELEGATION
HEADED BY MR. ALKHIMOV ON APRIL 22. TAKING INTO CONSIDERATION PROVISIONS OF THIS PROTOCOL, BOTH DELEGATIONS WILL
MAINTAIN CLOSE CONTACT WITH THE UNITED STATES' SIDE IN AN
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EFFORT TO ENCOURAGE UNITED STATES' BANKS TO MAKE DECISIONS ON THE LOANS FOR THE GEOLOGICAL EXPLORATION OF THE NAT-URAL GAS FIELDS IN YAKUTIA.

ON THE BASIS OFTHE AGREEMENTS THUS FAR REACHED, WHICH PROVIDE THAT EFFORTS WILL BE MADE TO BEGIN EXPLORATION OPERATIONS AT THE NATURAL GAS FIELDS IN YAKUTIA IN NOVEMBER 1974, BY USING MACHINERY, EQUIPMENT, AND OTHER MATERIALS TO BE SUPPLIED BY JAPAN AND THE UNITED STATES, BOTH DELE-

GATIONS HAVE AGREED THAT THEY WILL TRY TO CONCLUDE, AS SOON AS POSSIBLE, A BASIC AGREEMENT ON THIS PROJECT.
THIS AGREEMENT MAY BE MADE BY JAPAN, THE UNITED STATES, AND THE SOVIET UNION ON A TRILATERAL BASIS OR ON THE BASIS OF BILATERAL AGREEMENTS CONTAINING COMMON PRINCIPLES. THIS MEMORANDUM WAS PREPARED IN TWO ORIGINALS, ONE IN JAPANESE AND ONE IN RUSSIAN, IN TOKYO ON APRIL 26, 1974.

FOR THE JAPANESE DELEGATION HIROSHI ANZAI FOR THE SOVIET DELEGATION V. SUSHIKOV

END TEXT

2. NO FURTHER INFORMATION ON NEGOTIATIONS IS AVAILABLE AT THIS POINT. SHOESMITH

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Message Attributes

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